GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2260
ANSWERED ON:06.05.2016
Indianâ€™s Current Account Deficit
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government made any assessment/study that the Current Account Deficit (CAD) of the country would increase sharply by 2021;
(b) if so, the outcome thereof;
c) whether the World Economic Outlook (WEO) and International Monetary Fund (IMF) has also projected the increase in country''s CAD; and
(d) if so, the details thereof along with the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI JAYANT SINHA)

(a) & (b) The Government and the Reserve Bank of India regularly assess the Current Account Deficit (CAD) situation though no specific estimates for the coming years have been made. However, the Reserve Bank of India in its Monetary Policy Report, released on 5th April, 2016 indicated that the estimate of the current account deficit (CAD), as per the assessment of survey of professional forecasters for 2016-17 is at 1.3 per cent of GDP.

(c) The projections of India's CAD by IMF in the World Economic Outlook are given in the following table:
Table: IMF's projection of India's Current Account Deficits

Year	CAD (US$ billion)	CAD as % of GDP
2016	-34.5	-1.5
2017	-51.8	-2.1
2018	-58.7	-2.2
2019	-69.8	-2.3
2020	-82.2	-2.5
2021	-94.7	-2.6

Source: WEO database, April 2016, IMF.

(d) The Government and the Reserve Bank of India (RBI) are closely monitoring the emerging external position including current account deficit on an on-going basis and are calibrating appropriate policies to support robust macroeconomic outcomes.